



MINGALARDON CARGO SERVICES PUBLIC CO., LTD.

2018 - 2019 COMMUNICATION ON PROGRESS



- ❖ HUMAN RIGHT
- ❖ LABOUR PRINCIPLES
- ❖ ENVIRONMENT
- ❖ ANTI-CORRUPTION



13th June 2019

H.E Antonio Guterres

Secretary-General

United Nations

New York, NY 10017

USA

Dear Mr. Secretary-General,

To our stakeholders,

It has been three years that Mingalardon Cargo Services Public Co., Ltd. through our daily business activities and our stakeholder relationships, reaffirms our support to the Ten Principles of the United Nations Global Compact in the areas covering Human Rights, Labor Principles, Environment and Anti-corruption issues. So that we may achieve sustainable development of the society. We seek in our CSR initiatives to collaborate with all of our stakeholders, government and civil communities to create a better future for all of us.

In June, 2016, Mingalardon Cargo Services become a proud registered participants in the United Nations Global Compact (UNGC). This was our corporate milestone for Mingalardon Cargo Services, which is the first to participate in UNGC among Myanmar Export cargo services. We are confident ourselves to become a responsible organization for our CSR implementation by incorporating the Ten Principles of the Global Compact into our business practices. In December 2017, UNGC gave a chance to be a participant or Signatory, thereof MCS chose to be a signatory level. we have committed ourselves for Corporate Social Responsibilities(CSR) to our country, We are contributing to the country's Education sector, Health sector, Sports and religious affairs together with nonprofit organization Foundation. By continuously and enthusiastically implementing our CSR activities with nonprofit organization foundation. We happened to acknowledge about the United Nations Global Compact (UNGC), the corporate responsibility initiative—the world's largest with over 8,000 business and non-business participants in 135 countries.

In this 3rd year annual Communication on Progress (COP), we describe our actions to continually improve the integration of Global Compact and its principles into our business strategies, culture and our daily operations. Additionally, we commit to share this information with our stakeholders using our primary channels of communication.

Communication on Progress (COP) Period covered From 13th June 2018 to 13th June 2019

Yours Sincerely,

A handwritten signature in blue ink, appearing to be 'Saw Tun', written over a light blue circular stamp or watermark.

Saw Tun

Managing Director

Mingalardon Cargo Services Public Co., Ltd.



Human Rights

Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2 : Make sure Businesses are not complicit in human right abuses.

Assessment, Policy and Goals

Mingalardon Cargo Services practices on the following policies;

- Conducting the Human Right and labour law awareness
- No Workplace Discrimination
- Focus on Universal Declaration of Human Rights
- Protect on Human Rights
- Social Security Board
- No discrimination of gender, age, race and religion on employment process.

Implementation

Human rights are fundamental rights that all human beings possess regardless of their race, ethnicity, sex, national or ethnic origin, color, residence, religion or any other status. Awareness trainings of Human Rights and Labour Law were conducted among employee by the MCS management and Human Resources Department. MCS Employee Handbook was documented and supposed to read and understand by all of our employee. It is not only reflected our company's policies and the rights and responsibilities of the employee. Employee were briefly highlighted about the importance of mutual respect and equality by reading the employee handbook.

Mingalardon Cargo Services Program “ No Workplace Discrimination” had been practicing in our cargo warehousing process so that to avoid discrimination among workers. In our employment process, strongly emphasize on Non- discrimination on workers and among workers.

Mingalardon Cargo Services documented several kinds of books for knowledge and information including general concept of Universal Declaration of Human Right books for employee and generation. Moreover, management team strongly encourages and supports each individual's creative warehousing services, innovation and development, enabling each individual's strengths to build creative thinking and sound character for the overall to flourish, without compromising its underlying principles. Moreover, we invite and share our business partners and stakeholders to know about the Ten Principles of UNGC and to practice UNGC Ten Principles and in their business process.

MCS Human Resources Policy and Procedure was documented to understand easily among the employee by the Management Teams and Human Resources Manager. It supposes not only company's management and policies but also the rights and responsibilities of the employees.



Employee were briefly highlighted about the importance of mutual respect and equality by reading the Human Resources Policy and Procedure.

We don't discriminate on Religious, Ethnic, Gender and Vulnerable Group in our employment process. Moreover, all workers have right to belief and right to religion. Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to create job opportunity for newcomer and everyone, without any discrimination has the right to equal pay for equal work. Conflict Resolution among the MCS's process is practiced effectively. Constructive manner is practiced, i.e. to submit unsatisfactory, displeasure, unfairly treated, grievance, resentment, injustice and all complaints anonymously to Management Team or HR Department. Suggestion boxes were placed at MCS, in additions suggestion phone number, emails were publicized to all our stakeholders though various communication channel.

Measurement of outcomes

MCS Management Review Meeting was conducted by Management with zero case of human rights contravention. Orientation training were conducted in regular basis not only to welcome the new employee but also to make sure the employee awareness of the company's polices and employee handbook so that all employee fully aware of their rights and responsibilities.



Orientation training including Human Right and Labour Law Awareness conducted by HR Department

MCS's Quality Management System was certified by Bureau Veritas Certification and accredited by UKAS on 01st March 2017. The 2nd surveillance audit was conducted and passed on 08th Feb 2019 without Non conformity regarding with any human rights though the audit focus on MCS' Quality Management System. The surveillance audit will be conducted by Bureau Veritas Certification every year to confirm that the management system conforms with



all the requirements of the audit standard, the organization has effectively implemented its planned arrangements and to confirm that the management system is capable of achieving the organization's policies and objectives.



Mingalardon Cargo Services cooperates with Myanmar Social Security Board and comply with Social Security Law. Social Security Board Team conducted the awareness training for all MCS employees on 30th May 2019 at Mingalardon Cargo Services.





Social Security Board implements Social Security Schemes in accordance with the Social Security Law. Those who are entitled under Social Security Scheme have been provided with medical care and cash benefits in case of sickness, maternity, death and employment injury. In order to provide better health care services for increasing number of insured person, Social Security Board is going to implement “Provider Purchaser Split”, upgrading of Social Security Hospitals, Social Security Clinics or building of new hospitals and clinics, investment and purchase health care services through Public Private Partnership System.



According to the Social Security Board’s MOTTO “All For One, One For All”, Mingalardon Cargo Services cooperates and implements to meet their Vision; Developing the nation by tripartite cooperation of Government, employer and employee in conformity with the labor laws and implementing in the area of immigration, registration and collecting data of population in line with the National Policy systematically. And also Mission; Emerging peaceful and stable working environment by establishing good tripartite relations among Government, employer and employee. Enforcing labor legislation for getting benefits included in labor laws. Promoting occupational safety, and reducing occupational accident and disease. Enhancing decent work within the nation and overseas, and ensuring to be safe migration. Conducting skills training to upgrade the competitiveness of the workforce. Implementing social security scheme to provide social protection and health care for insured workers. Settling labor disputes in accord with the labor law concerned. Conducting research on labor affairs, and collecting and compiling labor market information. Collaborating on international and regional labor affairs.



Mingalardon Cargo Services proceeded to be sustainable development and more successful in the future activities and performance with all customers. Mingalardon Cargo Services proudly celebrated by hosting its annual customer appreciation dinner at Sedona Hotel on 15th Feb 2019. The event had in attendance the officials from Department of Civil Aviation, Myanmar Police Force, and Myanmar Customs Department in addition to the heads of many International Airlines, Ground Handling Companies & Freight Forwarders community.



MCS 's Annual Customer Appreciation Dinner 2019

Deputy Managing Director of MCS welcomed all guests and was followed by sharing the future plans by Aviation Group CEO.





The MCS 's Annual Customer Appreciation Dinner has been completed successfully with lucky draw program for the attended guests and musical extravagance entertainment of songs and music by The Messenger Band, singers G-Latt, Phyo Pyae Sone, Jewel & Kay Kay Moe followed in entertaining all guests present.



MCS 's Annual Customer Appreciation Dinner February 2019

Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child

Principle 6: the elimination of discrimination in respect of employment and occupation.

Assessment, Policy and Goals

Mingalardon Cargo Services Strongly emphasizes on:

- Company policy to uphold the freedom of association and collective bargaining.
- No child labor and no force labor policy
- Creates secure work-place and healthy for workers
- Creates the additional job vacancy.
- Provided the written company policy to all the employees
- Educates our staff that our company supports and adopts UNGC the 10 principles
- Help out in emergency response for safety and security
- Respect disability and responsible business
- Support Training for workers



Implementation

Policy of freedom of Association and activism based on individual freedom of associations and actions are practiced in MCS under The Labor Organization Law, Union of Myanmar. Personnel Recruitment employs over 18 years old only and practices no force labor, 8 hours per day, 48 hours per week and under relevant existing of Myanmar Labor laws. Moreover, MCS encourage workers to earn monthly salaries plus overtime allowances, uniform, transportation and bonus are provided depending on their skill and good effort with performance appraisal per twice a year.

We are fully committed to align with ILO declaration and its articles on effective abolition of child labor and comply with Labor Law. MCS Human Resources Policy and Procedure was distributed as the employee's rights, responsibilities and grievance policy are mentioned to understand among the employee.

We create favorable workplace (Fresh air, fresh drinking water, Transportation, Meal allowance, Energy cool drink, Energy medicine, Rest-room with air con , dining room and toilet) for all workers and frequently detected by committee.

Warehouse extension was built to create the additional job vacancy for jobless person. We can recruit 50 additional workers in 2019.

Human Resources Policy, Procedure and Manual refers under Myanmar Labour Law, it is stated that opportunity to each individual regardless of race, color, gender, religion, age, sexual orientation, national or ethnic origin, disability, marital status, veteran status, or any other occupationally irrelevant condition. Maintain and improve diversity in our company. MCS company policy is distributed to the all staff to understand.



Warehouse Cargo Operation (Initial) Training



Orientation training, Quality Management System, UNGC ten principle were conducted in regular basis not only to welcome the new employee but also to make sure the employee awareness of the company's policies and Human Resources Policy and Procedure so that all employee fully aware of their rights and responsibilities. To improve the employee skill, MCS provide the Dangerous Goods training, safety training, security training and other international training.



Warehouse Cargo Operation (Initial) Training

MCS provide necessary training for the skill development, professional development and carrier development of all our employees. Every employee has freedom of speech and efficient communication between management and employee. Weekly meeting are being held for discussion between all employee.

Under new program, let workers to know about knowledge, information and worker rights by supporting respective books and annual seminar on warehousing, health care, work-place security and others.



Dangerous Goods Regulation Training



Dangerous Goods Regulation Training



Certified X-Ray Machine Scanner CBT Train the Trainer



Certified X-Ray Machine Scanner CBT Train the Trainer



X-Ray Competency Evaluation Training



X-Ray Competency Evaluation Training





Safety Management System and Human Factor Training December 2018

There are four emergency response plan in MCS such as Fire safety plan, security plan, work place safety plan and Natural Disaster Plan. Drills for all emergency plan will be simulated every year.



Fire Drill conducted by Myanmar Fire Services Department, December 2018



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Mingalardon Cargo Services is committed to practice good corporate to align with ISO 9001:2015 Quality Management System and fully comply with Myanmar labor laws and ILO regulations. MCS implemented the Human Resources Policy for all employees to obtain equal working environment and no discrimination, Equal chance of opportunity and information sharing for Men and Women in organization. Employees were conducted training such as Orientation, awareness training, Emergency drills. We ensure good communication channels between employee and management to be well organized through suggestion boxes, email, phone, viber information group.

Measurement of outcomes

Annual management review meeting completed by Management Team. All feedbacks, suggestions and complaints were handled and managed by Management team. There is no child labour and forced labour reported or founded in organization according to the external audit team.

Environment Principles

- Principle 7: Businesses should support a precautionary approach to environmental challenges.
- Principle 8: Undertake initiatives to promote greater environmental responsibility.



Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Assessment, Policy and Goals

Awareness raising or training of employees on environmental protection;

- Always try best to inform progress and latest technology on environment
- Reduce waste materials
- Reduce consumption of fuels efficient usage of vehicles and generators
- Arrange by Yangon City Development Committee (YCDC)
- Creates green-environment and grow more trees

Implementation

Mingalardon Cargo Services always priorities not only for the safety of the people but also for the safety of the environment. We conducts safety training for all level of employees to be responsible for the environment and the communities. Management also takes proactive action by setting up for conducting the rubbish cleaning on every Sunday. We are trying adopt more environmentally friendly practices such as introducing energy saving measures the green and sustainable environment.

Mingalardon Cargo Services follows and practices The Environmental Conservation Law laid down in The Republic of the Union of Myanmar. The Communication Letters between organization are now distributed via email, Viber Information Group, no hardcopy is provided. Especially, We use of the environment or any element or segment of the environment after making required protections from the adverse effects of wastes, discharges, emissions and deposits so as to cause public health, safety or welfare.

We apply the continuous application of multi-strategy on environmental conservation to processes, products and services to improve the use of resource efficiently, energy saving light and air-conditioning system, minimize waste, polluted water and emissions and conserve the healthy nature and human environment; to enable to manage and implement for decrease and loss of natural resources and for enabling the sustainable use beneficially. According to new program, MCS practices clean environment of inner and outer parts of the work-place. Waste and rubbish are collected in systematic way and dust bins and waste boxes are put to the standard area by regulator. Moreover, we plant trees and create green-environment in warehouse surrounding. Every day, we take care the plant around the environment to growth up, watering, etc.



Planting the various kinds of the trees around the warehouse area to be green environment

We all believed that Planting trees can support the natural environment positively and have meaningful effects on social life, purify the air pollution, can add oxygen to the atmosphere, save the energy on cooling/heating machineries and also support to reduce global warming system. If a huge tree in properly and systematically taken care in a garden, the volume of oxygen it produces is equivalent to the air condition. And also environment cleaning is very important for human healthy. The MCS team members undertook a cleanliness drive at the MCS compound and non-stop still all areas were impeccably clean.



Mingalardon Cargo Services Public Co., Ltd Monsoon Tree Planting Event 2018

Measurement of outcomes

The MCS Monsoon Tree Planting and clean environment Event 2019 was accomplished on 6th June 2019 on the areas of Mingalardon Cargo Services located in Mingalardon township. The Gum-Kino tree are planted actively by the MCS Management Team, Staff members. MCS provide the food and snap for all staff. Moreover, MCS will continue to participate yearly planting, weekly cleaning and other environmental development in the future.





Mingalardon Cargo Services Public Co., Ltd Monsoon Tree Planting Event, June 2019





Mingalardon Cargo Services Public Co., Ltd Monsoon Tree Planting Event, June 2019



Cleaning the environment by MCS Team



Cleaning the environment by MCS Team

Mingalardon Cargo Services' primary responsibility is to ensure the long term success of the best corporate social activities. We have been actively supporting to Local Foundation's CSR activities, contributing to the country's education sector, health sector, religious affairs.

Management arrange a program every year that management mainly contributed and employee voluntary partially contributed and donated to charitable organizations such as Free education provided Monastery, Department of Social Welfare, etc. Annual management review meeting completed by Management Team. As the our sustainable Improvement the environment, MCS admits that We have future plan are contribution, planting and CSR activities every year.



Participate with local foundation for Blood Donation Ceremony



Donation to the Htauk Kyant Social Welfare Training School, May 2019

Mingalardon Cargo Services Public Co., Ltd., the Donation Ceremony is conducted on Thursday, 17th May 2019 at the Htauk Kyant Social Welfare Training School, the Department of Social Welfare, Ministry of Social Welfare, Relief and Resettlement which is located at No. 45, Yangon-Pyay Road in Mingalardon township.



Donation to the Htauk Kyant Social Welfare Training School, May 2019



MCS's Management and staff members attended the Donation Ceremony and donated the food, soft drinks, clothes and benefaction to the novices and 80 children for their training and living.



Donation to the Htauk Kyant Social Welfare Training School, May 2019



Donation to the Htauk Kyant Social Welfare Training School, May 2019



Anti-corruption

Principle 10 – Businesses should work against all forms of corruption, including extortion and bribery.

Assessments, Policy and Goals

- Not accept the gift or present
- Regularly check by Internal Audit Team
- Monitoring by CCTV control center

Implementation

This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels of staff, workers, volunteers, agents, contractors, and business partners. Mingalardon Cargo Services have a standard and believe in communication with all stakeholders especially with our valuable employee. Our Management holds weekly meeting with all departments to encourage integrity and explain about punishments and rewards concerned with corruption. No corruption was briefly mentioned on Human Resources policy and procedure. All employee are fully encouraged without any hesitation to report if any corruption case noticed through various communication channels. Customer Surveys are conducted at least once a year by requesting the existing customers to complete customer feedback forms. If customer complaints about corruption, MCS audit team takes immediate action to investigate by interviewing all concerned persons and check the documents records reviewing. Based upon the result of the Audit Team review, MCS management takes necessary actions accordingly.

MCS was audited by the external auditor for the certification of ISO 9001:2015 Quality Management System without Non conformity regarding with any corruption case. There was no corruption case MCS management review meeting

Measurement of outcomes

Annual management review meeting completed by Management Team. As the result of corruption review, there were no corruption cases sharing through by all communication channels. In case of any corruption, Management Team takes investigation the accident detail and serious action according to any level of cases and checking the documents and CCTV records after that the Management Team take the necessary action on the investigation of the problem. Mingalardon Cargo Services has clear stand in relation to bribery and corruption, that is, the employees must not offer or accept bribery. Direct or indirect offer, payment, asking for and accepting bribe in any form by the employees in unacceptable. MCS works in accordance with the positive national and international legal regulation.